



QUARTERLY STATEMENT

AS OF JUNE 30, 2002
OF THE CONDITION AND AFFAIRS OF THE

Central Reserve Life Insurance Company

NAIC Group Code 1337 1337 NAIC Company Code 61727 Employer's ID Number 34-0970995
(Current Period) (Prior Period)

Organized under the Laws of Ohio, State of Domicile or Port of Entry Ohio

Country of Domicile United States of America

Incorporated 07/02/1963 Commenced Business 05/12/1965

Statutory Home Office 17800 Royalton Road, Strongsville, OH 44136-5197
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 17800 Royalton Rd
(Street and Number) 440-572-2400
(Area Code) (Telephone Number)
Strongsville, OH 44136
(City or Town, State and Zip Code)

Mail Address 17800 Royalton Rd, Strongsville, OH 44136
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 17800 Royalton Rd
(Street and Number) 440-572-8843
(Area Code) (Telephone Number)
Strongsville, OH 44136
(City or Town, State and Zip Code)

Internet Website Address www.ceresgp.com

Statement Contact Richard Allan Kusnic 440-572-8843
(Name) (Area Code) (Telephone Number) (Extension)
rkusnic@centralreserve.com 440-572-8850
(E-mail Address) (FAX Number)

Policyowner Relations Contact 17800 Royalton Rd
(Street and Number) 440-572-2400
(Area Code) (Telephone Number) (Extension)
Strongsville, OH 44136
(City or Town, State and Zip Code)

OFFICERS

President Anthony John Pino Secretary Arthur Lewis Hastings
Treasurer Larry Eugene Wharton Actuary Mark Edward Billingsley

VICE PRESIDENTS

<u>Mary Ellen Larkin</u>	<u>Richard Allan Kusnic</u>	<u>Charles Edward Miller Jr</u>
<u>Ronald Lee Kotowski</u>	<u>Joseph Anthony Parente</u>	<u>Thomas Joseph Reisch, Jr.</u>
<u>Henry Jude Reitinger</u>	<u>David Alan Canzone</u>	<u>Gayle Mary Vixler</u>
<u>Celeste Ann Kloth</u>	<u>George Anthony Gerhinger</u>	<u>Susan M Hahn</u>
<u>Amy Marian McFadden</u>	<u>Larry Eugene Wharton</u>	<u>Arthur Lewis Hastings</u>
<u>Lincoln Taylor Lafayette</u>	<u>Jeffrey Allen Johnson</u>	<u>Jeffrey Allen Young</u>
<u>Michael Keith Owens</u>	<u>Elizabeth Catharine Tenner</u>	<u>Judith A Murphy #</u>

DIRECTORS OR TRUSTEES

Anthony John Pino Andrew Anthony Boemi Michael Angelo Cavataio
George Anthony Gehringer

State of Ohio }
County of Cuyahoga } ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures Manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

Anthony John Pino Arthur Lewis Hastings Larry Eugene Wharton
President Secretary Treasurer

Subscribed and sworn to before me this day of August, 2002

STATEMENT AS OF JUNE 30, 2002 OF THE CENTRAL RESERVE LIFE INSURANCE COMPANY

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	78,242,552		78,242,552	84,153,045
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks	6,157,090		6,157,090	6,950,870
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)				
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)				
5. Policy loans	55,193		55,193	71,365
6. Premium notes, including \$ for first year premiums				
7. Cash (\$ (1,634,641)) and short-term investments (\$ 3,662,836)	2,028,194		2,028,194	16,576,756
8. Other invested assets				
9. Receivable for securities	1,330,000		1,330,000	26,979
10. Aggregate write-ins for invested assets				
11. Subtotals, cash and invested assets (Lines 1 to 10)	87,813,029		87,813,029	107,779,016
12. Reinsurance ceded:				
12.1 Amounts recoverable from reinsurers	279,680		279,680	231,199
12.2 Commissions and expense allowances due				
12.3 Experience rating and other refunds due	0			270,034
12.4 Other amounts receivable under reinsurance contracts	410,823		410,823	3,330,498
13. Electronic data processing equipment and software	14,238		14,238	17,209
14. Federal and foreign income tax recoverable and interest thereon (including \$ 1,235,647 net deferred tax asset)	4,687,297		4,687,297	3,801,647
15. Guaranty funds receivable or on deposit	171,977		171,977	171,977
16. Life insurance premiums and annuity considerations deferred and uncollected on in force business (less premiums on reinsurance ceded and less \$ 64,422 loading)	68,930		68,930	73,742
17. Accident and health premiums due and unpaid	273,776		273,776	577,132
18. Investment income due and accrued	1,099,784		1,099,784	1,082,272
19. Net adjustment in assets and liabilities due to foreign exchange rates				
20. Receivable from parent, subsidiaries and affiliates	1,815,258		1,815,258	
21. Amounts receivable relating to uninsured accident and health plans				
22. Amounts due from agents				
23. Other assets nonadmitted	414,473	414,473	0	
24. Aggregate write-ins for other than invested assets	1,010,850		1,010,850	1,240,187
25. Total assets excluding Separate Accounts business (Lines 11 to 24)	98,060,116	414,473	97,645,642	118,574,913
26. From Separate Accounts Statement				
27. Total (Lines 25 and 26)	98,060,116	414,473	97,645,642	118,574,913
DETAILS OF WRITE-INS				
1001.				
1002.				
1003.				
1098. Summary of remaining write-ins for Line 10 from overflow page				
1099. Totals (Lines 1001 thru 1003 plus 1098)(Line 10 above)				
2401. Amount Receivable, other	1,010,850		1,010,850	1,240,187
2402.			0	0
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page				
2499. Totals (Lines 2401 thru 2403 plus 2498)(Line 24 above)	1,010,850		1,010,850	1,240,187

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Aggregate reserve for Life contracts \$10,433,201 less \$included in Line 6.3 (including \$1,790,085 Modco Reserve)	10,433,201	10,748,819
2. Aggregate reserve for accident and health contracts (including \$ Modco Reserve)	1,176,242	1,176,925
3. Liability for deposit-type contracts (including \$ Modco Reserve)	13,890	21,506
4. Contract claims:		
4.1 Life	585,191	972,797
4.2 Accident and health	52,772,672	55,050,176
5. Policyholders' dividends \$ and coupons \$ due and unpaid		
6. Provision for policyholders' dividends and coupons payable in following calendar year—estimated amounts:		
6.1 Dividends apportioned for payment to (including \$ Modco Reserve)		
6.2 Dividends not yet apportioned (including \$ Modco Reserve)		
6.3 Coupons and similar benefits (including \$ Modco Reserve)		
7. Amount provisionally held for deferred dividend policies not included in Line 6		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ discount; including \$ 3,346,013 accident and health premiums	3,406,911	4,888,090
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts		
9.2 Provision for experience rating refunds, including \$ accident and health experience rating refunds		
9.3 Other amounts payable on reinsurance including \$ assumed and \$ 353,000 ceded	353,001	237,654
9.4 Interest Maintenance Reserve	1,016,659	1,274,460
10. Commissions to agents due or accrued—life and annuity contracts \$ 44,984 accident and health \$ 1,510,845 and deposit-type contract funds \$	1,555,829	2,473,196
11. Commissions and expense allowances payable on reinsurance assumed		
12. General expenses due or accrued	0	
13. Transfers to Separate Accounts due or accrued (net) (Including \$ accrued for expense allowances recognized in reserves)		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes	123,483	975,580
15. Federal and foreign income taxes, including \$ on realized capital gains (losses) (including \$ net deferred tax liability)		
16. Unearned investment income		
17. Amounts withheld or retained by company as agent or trustee	461,757	971,960
18. Amounts held for agents' account, including \$ agents' credit balances		
19. Remittances and items not allocated		
20. Net adjustment in assets and liabilities due to foreign exchange rates		
21. Liability for benefits for employees and agents if not included above		
22. Borrowed money \$ and interest thereon \$		
23. Dividends to stockholders declared and unpaid		
24. Miscellaneous liabilities:		
24.1 Asset valuation reserve	277,819	165,027
24.2 Reinsurance in unauthorized companies		
24.3 Funds held under reinsurance treaties with unauthorized reinsurers		
24.4 Payable to parent, subsidiaries and affiliates		2,194,220
24.5 Drafts outstanding		
24.6 Liability for amounts held under uninsured accident and health plans		
24.7 Funds held under coinsurance	0	9,337,856
24.8 Payable for securities	0	
24.9 Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities	523,000	687,200
26. Total Liabilities excluding Separate Accounts business (Lines 1 to 25)	72,699,654	91,175,466
27. From Separate Accounts Statement		
28. Total Liabilities (Lines 26 and 27)	72,699,654	91,175,466
29. Common capital stock	2,500,000	2,500,000
30. Preferred capital stock		
31. Aggregate write-ins for other than special surplus funds		
32. Surplus notes		
33. Gross paid in and contributed surplus	51,862,110	51,862,110
34. Aggregate write-ins for special surplus funds		
35. Unassigned funds (surplus)	(29,416,122)	(26,962,662)
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 29 \$)		
36.2 shares preferred (value included in Line 30 \$)		
37. Surplus (total Lines 31 + 32 + 33 + 34 + 35 - 36) (Including \$ in Separate Accounts Statement)	22,445,988	24,899,447
38. Totals of Lines 29, 30 and 37	24,945,988	27,399,447
39. Totals of Lines 28 and 38	97,645,642	118,574,913
DETAILS OF WRITE-INS		
2501. Claim Interest Payable	0	164,200
2502. Guaranty Fund Payable	523,000	523,000
2503. Investment Expense Accrued, other		0
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	523,000	687,200
3101.		
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page		
3199. Totals (Lines 3101 thru 3103 plus 3198)(Line 31 above)		
3401.		
3402.		
3403.		
3498. Summary of remaining write-ins for Line 34 from overflow page		
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)		

SUMMARY OF OPERATIONS

(Excluding Unrealized Capital Gains and Losses)

	1 Current Year To Date	2 Prior Year Year to Date	3 Prior Year Ended December 31
1. Premiums and annuity considerations for life and accident and health policies and contracts	102,247,438	126,768,490	245,264,383
2. Considerations for supplementary contracts with life contingencies			
3. Net investment income	2,827,489	3,213,385	5,967,788
4. Amortization of Interest Maintenance Reserve (IMR)	184,289	172,758	313,311
5. Separate Accounts net gain from operations excluding unrealized gains or losses			
6. Commissions and expense allowances on reinsurance ceded	10,554,819	17,846,223	31,121,656
7. Reserve adjustments on reinsurance ceded	(2,578,678)	(77,483)	210,428
8. Miscellaneous Income:			
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts			
8.2 Charges and fees for deposit-type contracts			
8.3 Aggregate write-ins for miscellaneous income	241,844	667,472	1,403,118
9. Totals (Lines 1 to 8.3)	113,477,201	148,590,845	284,280,684
10. Death benefits	344,691	508,910	926,669
11. Matured endowments (excluding guaranteed annual pure endowments)			
12. Annuity benefits	1,040,420	1,132,220	2,121,885
13. Disability benefits and benefits under accident and health contracts	74,078,914	104,490,167	189,745,535
14. Coupons, guaranteed annual pure endowments and similar benefits			
15. Surrender benefits and withdrawals for life contracts			
16. Group conversions			
17. Interest and adjustments on contract or deposit-type contract funds	(7,616)	(47,908)	(701,592)
18. Payments on supplementary contracts with life contingencies			
19. Increase in aggregate reserves for life and accident and health contracts	(945,414)	(994,393)	(685,321)
20. Totals (Lines 10 to 19)	74,510,995	105,088,996	191,407,175
21. Commissions on premiums, annuity considerations, and deposit-type contract funds(direct business only)	15,673,952	22,995,345	43,316,313
22. Commissions and expense allowances on reinsurance assumed	812,056	6,760,501	10,679,215
23. General insurance expenses	19,530,365	22,523,588	44,169,263
24. Insurance taxes, licenses and fees, excluding federal income taxes	3,470,345	3,997,767	8,270,216
25. Increase in loading on deferred and uncollected premiums	(4,194)	1,935	(6,161)
26. Net transfers to or (from) Separate Accounts			
27. Aggregate write-ins for deductions	217,985	9,992	89,957
28. Totals (Lines 20 to 27)	114,211,503	161,378,124	297,925,978
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	(734,303)	(12,787,279)	(13,645,294)
30. Dividends to policyholders			3,486
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	(734,303)	(12,787,279)	(13,648,780)
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	(870,975)	(2,472,065)	(3,156,602)
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	136,672	(10,315,214)	(10,492,178)
34. Net realized capital gains or (losses) less capital gains tax of \$ (excluding taxes of \$ transferred to the IMR)	600		
35. Net income (Line 33 plus Line 34)	137,272	(10,315,214)	(10,492,178)
CAPITAL AND SURPLUS ACCOUNT			
36. Capital and surplus, December 31, prior year	27,399,447	26,163,813	26,163,813
37. Net income (Line 35)	137,272	(10,315,214)	(10,492,178)
38. Change in net unrealized capital gains (losses)	(793,781)	(4,055,378)	(6,917,021)
39. Change in net unrealized foreign exchange capital gain (loss)			
40. Change in net deferred income tax			
41. Change in non-admitted assets and related items	111,971	82,171	170,737
42. Change in liability for reinsurance in unauthorized companies			
43. Change in reserve on account of change in valuation basis, (increase) or decrease			
44. Change in asset valuation reserve	(112,792)	(53,073)	(102,217)
45. Change in treasury stock			
46. Surplus (contributed to) withdrawn from Separate Accounts during period			
47. Other changes in surplus in Separate Accounts Statement			
48. Change in surplus notes			
49. Cumulative effect of changes in accounting principles	0	1,438,160	1,144,794
50. Capital changes:			
50.1 Paid in			
50.2 Transferred from surplus (Stock Dividend)			
50.3 Transferred to surplus			
51. Surplus adjustment:			
51.1 Paid in	0	6,500,000	21,500,000
51.2 Transferred to capital (Stock Dividend)			
51.3 Transferred from capital			
51.4 Change in surplus as a result of reinsurance	(1,796,129)	(2,757,342)	(4,068,481)
52. Dividends to stockholders			
53. Aggregate write-ins for gains and losses in surplus			
54. Net change in capital and surplus for the year (Lines 37 through 53)	(2,453,459)	(9,160,676)	1,235,634
55. Capital and surplus, as of statement date (Lines 36 + 54)	24,945,988	17,003,137	27,399,447
DETAILS OF WRITE-INS			
08.301. Miscellaneous Income	241,844	667,472	1,403,118
08.302.			
08.303.			
08.398. Summary of remaining write-ins for Line 8.3 from overflow page			
08.399. TOTALS (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above)	241,844	667,472	1,403,118
2701. Shortfall due to foreclosure		9,992	89,957
2702. Regulatory Authority assessments	217,985	0	0
2703.			
2798. Summary of remaining write-ins for Line 27 from overflow page			
2799. Totals (Lines 2701 thru 2703 plus 2798)(Line 27 above)	217,985	9,992	89,957
5301.			
5302.			
5303.			
5398. Summary of remaining write-ins for Line 53 from overflow page			
5399. Totals (Lines 5301 thru 5303 plus 5398)(Line 53 above)			

STATEMENT AS OF JUNE 30, 2002 OF THE CENTRAL RESERVE LIFE INSURANCE COMPANY

CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums and annuity considerations for life and accident and health contracts	101,348,656	247,639,392
2. Charges and fees for deposit-type contracts		
3. Considerations for supplementary contracts with life contingencies		
4. Net investment income	2,809,978	6,416,363
5. Commissions and expense allowances on reinsurance ceded	7,894,896	31,243,122
6. Fees associated with investment management, administration and contract guarantees from Separate Accounts		
7. Aggregate write-ins for miscellaneous income	456,844	1,398,546
8. Total (Lines 1 to 7)	112,510,373	286,697,423
9. Death Benefits	732,297	677,456
10. Matured endowments		
11. Annuity Benefits	1,040,420	2,121,885
12. Disability benefits and benefits under accident and health contracts	84,166,463	186,952,591
13. Coupons, guaranteed annual pure endowments and similar benefits		
14. Surrender benefits and withdrawals for life contracts		
15. Group conversions		
16. Interest and adjustments on contract or deposit-type contract funds	0	
17. Payments on supplementary contracts with life contingencies		
18. Total (Lines 9 to 17)	85,939,180	189,751,932
19. Commissions on premiums, annuity considerations and deposit-type contract funds	16,591,319	44,169,171
20. Commissions and expense allowances on reinsurance assumed	812,056	10,679,215
21. General insurance expenses	19,530,365	44,202,754
22. Insurance taxes, licenses and fees, excluding federal income taxes	4,322,442	8,497,748
23. Net transfers to or (from) Separate Accounts		
24. Aggregate write-ins for deductions	217,985	89,957
25. Total (Lines 18 to 24)	127,413,346	297,390,776
26. Dividends paid to policyholders		3,227
27. Federal income taxes (excluding tax on capital gains)	(23,195)	
28. Total (Lines 25 to 27)	127,390,151	297,394,003
29. Net cash from operations (Line 8 minus Line 28)	(14,879,778)	(10,696,580)
Cash from Investments		
30. Proceeds from investments sold, matured or repaid:		
30.1 Bonds	21,059,686	79,973,398
30.2 Stocks		
30.3 Mortgage loans		
30.4 Real estate		
30.5 Other invested assets		
30.6 Net gains or (losses) on cash and short-term investments		
30.7 Miscellaneous proceeds	0	
30.8 Total investment proceeds (Lines 30.1 to 30.7)	21,059,686	79,973,398
31. Net tax on capital gains (losses)		
32. Total (Line 30.8 minus Line 31)	21,059,686	79,973,398
33. Cost of investments acquired (long-term only):		
33.1 Bonds	15,379,016	75,292,876
33.2 Stocks		
33.3 Mortgage loans		
33.4 Real estate		
33.5 Other invested assets		
33.6 Miscellaneous applications		
33.7 Total investments acquired (Lines 33.1 to 33.6)	15,379,016	75,292,876
34. Net increase (or decrease) in policy loans and premium notes	(16,172)	(5,456)
35. Net cash from investments (Line 32 minus Line 33.7 minus Line 34)	5,696,842	4,685,978
Cash from Financing and Miscellaneous Sources		
36. Cash provided:		
36.1 Surplus notes, capital and surplus paid in		21,500,000
36.2 Borrowed money \$		
36.3 Capital notes \$		
36.4 Deposits on deposit-type contract funds and other liabilities without life or disability contingencies		
36.5 Other cash provided	0	2,939,399
36.6 Total (Lines 36.1 to 36.5)	0	24,439,399
37. Cash applied:		
37.1 Dividends to stockholders paid		
37.2 Interest on indebtedness		
37.3 Withdrawals on deposit-type contract funds and other liabilities without life or disability contingencies		
37.4 Other applications (net)	5,365,626	
37.5 Total (Lines 37.1 to 37.4)	5,365,626	
38. Net cash from financing and miscellaneous sources (Line 36.6 minus Line 37.5)	(5,365,626)	24,439,399
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
39. Net change in cash and short-term investments (Line 29, plus Line 35, plus Line 38)	(14,548,561)	18,428,798
40. Cash and short-term investments:		
40.1 Beginning of year	16,576,756	(1,852,042)
40.2 End of period (Line 39 plus Line 40.1)	2,028,195	16,576,756
DETAILS OF WRITE-INS		
0701. Miscellaneous Income	456,844	1,398,546
0702.		
0703.		
0798. Summary of remaining write-ins for Line 7 from overflow page		
0799. TOTALS (Lines 0701 thru 0703 plus 0798) (Line 7 above)	456,844	1,398,546
2401. Change in reserve due to reinsurance ceded and assumed	217,985	0
2402. Fines and penalties of regulatory authorities		89,957
2403.		
2498. Summary of remaining write-ins for Line 24 from overflow page		
2499. TOTALS (Lines 2401 thru 2403 plus 2498) (Line 24 above)	217,985	89,957

EXHIBIT 1

DIRECT PREMIUMS AND DEPOSIT-TYPE CONTRACTS

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
1. Industrial Life			
2. Ordinary Life Insurance	225,040	247,115	467,501
3. Ordinary Individual Annuities	172,961	331,487	668,730
4. Credit Life (Group & Individual)			
5. Group Life Insurance	2,332,024	3,292,542	6,237,556
6. Group Annuities			
7. A & H - Group	129,829,609	166,777,382	318,339,195
8. A & H - Credit (Group & Individual)			
9. A & H - Other	2,235,590	319,879	2,675,226
10. Aggregate of All Other Lines of Business			
11. Subtotal	134,795,225	170,968,405	328,388,208
12. Deposit-Type Contracts			
13. Total	134,795,225	170,968,405	328,388,208
DETAILS OF WRITE-INS			
1001.			
1002.			
1003.			
1098. Summary of remaining write-ins for Line 10 from overflow page			
1099. Totals (Lines 1001 thru 1003 plus 1098)(Line 10 above)			

NOTES TO FINANCIAL STATEMENTS

10. Information Concerning Parent, Subsidiaries and Affiliates

- A.,B,
& C. All outstanding shares of The Company are owned by Ceres Group, Inc., an insurance holding company domiciled in the State of Delaware.
- D. The Company paid salary and benefit expense to Ceres Administrators, an affiliate, in the amount of \$ 23,112,557. The Company paid marketing expenses to Ceres Sales, an affiliate, in the amount of \$ 745,446. The Company paid Managed Care and PPO expenses to Ceres Health, an affiliate, in the amount of \$5,833,547.
- E. At June 30, The Company reports amounts due from affiliates in the amount of \$ 1,669,947.
- F. The Company has agreements with several non-life affiliates who provide certain services to the Company and are reimbursed as described in 10-d. The Company also has cost sharing agreements with its life subsidiaries Provident American Life and Health Insurance Company and United Benefit Life Company, as well as with affiliates Continental General Life and Pyramid Life for reimbursement and sharing of costs for services provided by the Company.
- G. All outstanding shares of the Company are owned by the Parent Company, Ceres Group Inc., an insurance holding company domiciled in the State of Delaware.
- H. Not applicable
- I. Not applicable
- J. Not applicable

17. The Company does not have any wash sales.

19. Direct Premium Written by Third Party Administration

Continental General Life Insurance Company, 8901 Indian Hills Drive, Omaha, Nebraska, is a third party administrator for The Company's ordinary life and annuity business (FIN 47-0463747). Continental holds an exclusive contract for underwriting, issue, and collection of premium and payment of claims for Central Reserve Life. The contract was effective 7/1/99 and Continental collected \$879,348 in premium at 6/30/2002.

28. Analysis of Annuity Actuarial Reserves and Deposit Liabilities by withdrawal Characteristics

The amount of Annuity Reserves from Exhibit 8, Section B & C, Line 029999 is \$8,928,684. The total deposit liability from Page 3, Line 3 is \$ 12,119. The Annuity Reserves are not subject to discretion of any type. A surrender charge not exceeding 5% is assessed to any withdrawal within the first five years of the Annuity.

	<u>Amount</u>	<u>% of Total</u>
A. Subject to discretionary withdrawal:		
(1) With market value adjustment	\$ <u>0</u>	<u>0%</u>
(2) At book value less current surrender charge of 5% or more	<u>0</u>	<u>0</u>
(3) At fair value	<u>0</u>	<u>0</u>
(4) Total with adjustment or at market value (Total of 1 through 3)	<u>0</u>	<u>0</u>
(5) At book value without adjustment (minimal or no charge or adjustment)	<u>0</u>	<u>0</u>
B Not subject to discretionary withdrawal	<u>11,378,709</u>	<u>100</u>
A. Total (gross)	<u>11,378,709</u>	<u>100%</u>
D Reinsurance ceded	<u>2,450,025</u>	
E Total (net)*(C)-(D)	<u>\$ 8,928,684</u>	

*Reconciliation of total annuity actuarial reserves and deposit fund liabilities.

	<u>Amount</u>
F. Life & Accident & Health Annual Statement:	
1. Exhibit 8, Annuities Section, Total (net)	\$ <u>8,326,989</u>
2. Exhibit 8, Supplementary Contracts with Life Contingencies Section, total (net)	<u>\$ 601,699</u>
3. Exhibit Of Deposit-Type Contracts, Line 14, column 1	<u>\$ 12,119</u>
4. Subtotal	<u>\$ 8,940,807</u>

Separate Accounts Annual Statement:

5. Exhibit 6, Line 0299999, Column 2	<u>N/A</u>
6. Exhibit 6, Line 0399999, Column 2	<u>N/A</u>
7. Page 3, , Line 2, Column 3	<u>N/A</u>
8. Page 3, , Line 3.1, Column 3	<u>N/A</u>
9. Page 3, , Line 3.2, Column 3	<u>N/A</u>
10. Page 3, , Line 3.3, Column 3	<u>N/A</u>
11. Subtotal	<u>N/A</u>
12. Combined Total	<u>\$ 8,940,807</u>

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted.)

PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Did the reporting entity implement any significant accounting policy changes which would require disclosure in the Notes to the Financial Statements? Yes [] No [X]
- 1.2 If yes, explain:
.....
- 2.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]
- 2.2 If yes, has the report been filed with the domiciliary state? Yes [] No []
- 3.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 3.2 If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.
4. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]
If yes, attach an organizational chart.
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 5.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....
.....
.....

6. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [X] NA []
If yes, attach an explanation.
- 7.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 06/01/2000
- 7.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/1999
- 7.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 01/31/2001
- 7.4 By what department or departments?
Ohio Department of Insurance.....
- 8.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes [] No [X]
- 8.2 If yes, give full information:
.....

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted.)

INVESTMENT

9.1 Has there been any change in the reporting entity's own preferred or common stock? Yes [] No [X]

9.2 If yes, explain:
.....

10.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [] No [X]

10.2 If yes, give full and complete information relating thereto:
.....

11. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$

12. Amount of real estate and mortgages held in short-term investments: \$

13.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [X] No []

13.2 If yes, please complete the following:

	1 Prior Year-End Statement Value	2 Current Quarter Statement Value
13.21 Bonds	\$	\$
13.22 Preferred Stock	\$	\$
13.23 Common Stock	\$6,950,870	\$6,157,090
13.24 Short-term Investments	\$	\$
13.25 Mortgages, Loans or Real Estate	\$	\$
13.26 All Other	\$	\$
13.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 13.21 to 13.26).....	\$6,950,870	\$6,157,090
13.28 Total Investment in Parent included in Lines 13.21 to 13.26 above	\$	\$
13.29 Receivable from Parent not included in Lines 13.21 to 13.26 above	\$	\$

14.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

14.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No []

If no, attach a description with this statement.

15. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 - General, Section IV.H - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []

15.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
KeyBank National Association.....	127 Public Sq. Cleveland, Ohio 44114.....
State Department of Insurance.....	various.....

15.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

15.3 Have there been any changes, including name changes in the custodian(s) identified in 15.1 during the current year? Yes [] No [X]

15.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

15.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
110497.....	Hyperion Capital Management, Inc.....	One Liberty Plaza...36th Fl., NY, NY 10006..

GENERAL INTERROGATORIES (continued)

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted.)

PART 2 - LIFE & HEALTH

1.	1 Amount
Report the statement value of mortgage loans at the end of this reporting period for the following categories:	
1.1 Long-Term Mortgages In Good Standing	
1.11 Farm Mortgages	\$ 0
1.12 Residential Mortgages	\$ 0
1.13 Commercial Mortgages	\$ 0
1.14 Total Mortgages in Good Standing	<u>\$</u>
1.2 Long-Term Mortgages In Good Standing with Restructured Terms	
1.21 Total Mortgages in Good Standing	\$ 0
1.3 Long-Term Mortgages Loans Upon which Interest is Overdue more than Three Months	
1.31 Farm Mortgages	\$ 0
1.32 Residential Mortgages	\$ 0
1.33 Commercial Mortgages	\$ 0
1.34 Total Mortgages with Interest Overdue more than Three Months.....	<u>\$</u>
1.4 Long-Term Mortgages Loans in Process of Foreclosure	
1.41 Farm Mortgages	\$ 0
1.42 Residential Mortgages	\$ 0
1.43 Commercial Mortgages	\$ 0
1.44 Total Mortgages in Process of Foreclosure.....	<u>\$</u>
1.5 Total Mortgage Loans (Lines 1.14 + 1.21 + 1.34 + 1.44) (Page 2, Col. 3, Lines 3.1 plus 3.2).....	\$
1.6 Long-Term Mortgages Foreclosed, Properties Transferred to Real Estate in Current Quarter	
1.61 Farm Mortgages	\$ 0
1.62 Residential Mortgages	\$ 0
1.63 Commercial Mortgages	\$ 0
1.64 Total Mortgages Foreclosed and Transferred to Real Estate	<u>\$</u>

SCHEDULE A - VERIFICATION

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period	NONE			
2. Increase (decrease) by adjustment				
3. Cost of acquired				
4. Cost of additions to and permanent improvements				
5. Total profit (loss) on sales				
6. Increase (decrease) by foreign exchange adjustment				
7. Amount received on sales				
8. Book/adjusted carrying value at end of current period				
9. Total valuation allowance				
10. Subtotal (Lines 8 plus 9)				
11. Total nonadmitted amounts				
12. Statement value, current period (Page 2, real estate lines, current period)				

SCHEDULE B - VERIFICATION

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/recorded investment excluding accrued interest on mortgages owned, beginning of period	NONE			
2. Amount loaned during period:				
2.1. Actual cost at time of acquisitions				
2.2. Additional investment made after acquisitions				
3. Accrual of discount and mortgage interest points and commitment fees				
4. Increase (decrease) by adjustment				
5. Total profit (loss) on sale				
6. Amounts paid on account or in full during the period				
7. Amortization of premium				
8. Increase (decrease) by foreign exchange adjustment				
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period				
10. Total valuation allowance				
11. Subtotal (Lines 9 plus 10)				
12. Total nonadmitted amounts				
13. Statement value of mortgages owned at end of current period				

SCHEDULE BA - VERIFICATION

Other Invested Assets Included in Schedule BA

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, beginning of period	NONE			
2. Cost of acquisitions during period:				
2.1. Actual cost at time of acquisitions				
2.2. Additional investment made after acquisitions				
3. Accrual of discount				
4. Increase (decrease) by adjustment				
5. Total profit (loss) on sale				
6. Amounts paid on account or in full during the period				
7. Amortization of premium				
8. Increase (decrease) by foreign exchange adjustment				
9. Book/adjusted carrying value of long-term invested assets at end of current period				
10. Total valuation allowance				
11. Subtotal (Lines 9 plus 10)				
12. Total nonadmitted amounts				
13. Statement value of long-term invested assets at end of current period				

STATEMENT AS OF JUNE 30, 2002 OF THE CENTRAL RESERVE LIFE INSURANCE COMPANY

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Statement Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Statement Value End of First Quarter	6 Statement Value End of Second Quarter	7 Statement Value End of Third Quarter	8 Statement Value December 31 Prior Year
BONDS								
1. Class 1	66,155,767	52,217,570	56,186,147	(2,040,266)	66,155,767	60,146,924		78,646,570
2. Class 2	21,696,663		6,871,703	957,815	21,696,663	15,782,775		20,123,993
3. Class 3	5,457,281		507,686	1,026,091	5,457,281	5,975,686		1,792,206
4. Class 4								
5. Class 5								
6. Class 6								
7. Total Bonds	93,309,711	52,217,570	63,565,536	(56,360)	93,309,711	81,905,385		100,562,769
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock								
15. Total Bonds and Preferred Stock	93,309,711	52,217,570	63,565,536	(56,360)	93,309,711	81,905,385		100,562,769

SCHEDULE DA - PART 1**Short-Term Investments Owned End of Current Quarter**

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Amount of Interest Received Current Quarter	Paid for Accrued Interest
8099999 Totals	3,662,836	XXX	3,662,836	21,333	

SCHEDULE DA - PART 2- Verification**Short-Term Investments Owned**

	1	2	3	4
	First Quarter Current Year	Second Quarter Current Year	Third Quarter Current Year	Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period	16,409,728	527,565		5,750,378
2. Cost of short-term investments acquired	54,766,043	50,194,804		814,838,022
3. Increase (decrease) by adjustment				
4. Increase (decrease) by foreign exchange adjustment				
5. Total profit (loss) on disposal of short-term investments				
6. Consideration received on disposal of short-term investments	70,648,206	47,059,532		804,178,672
7. Book/adjusted carrying value, current period	527,565	3,662,837		16,409,728
8. Total valuation allowance				
9. Subtotal (Lines 7 plus 8)	527,565	3,662,837		16,409,728
10. Total nonadmitted amounts				
11. Statement value (Lines 9 minus 10)	527,565	3,662,837		16,409,728
12. Income collected during period	21,855	21,333		394,615
13. Income earned during period	21,855	21,333		394,615

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

Schedule S

NONE

STATEMENT AS OF JUNE 30, 2002 OF THE CENTRAL RESERVE LIFE INSURANCE COMPANY

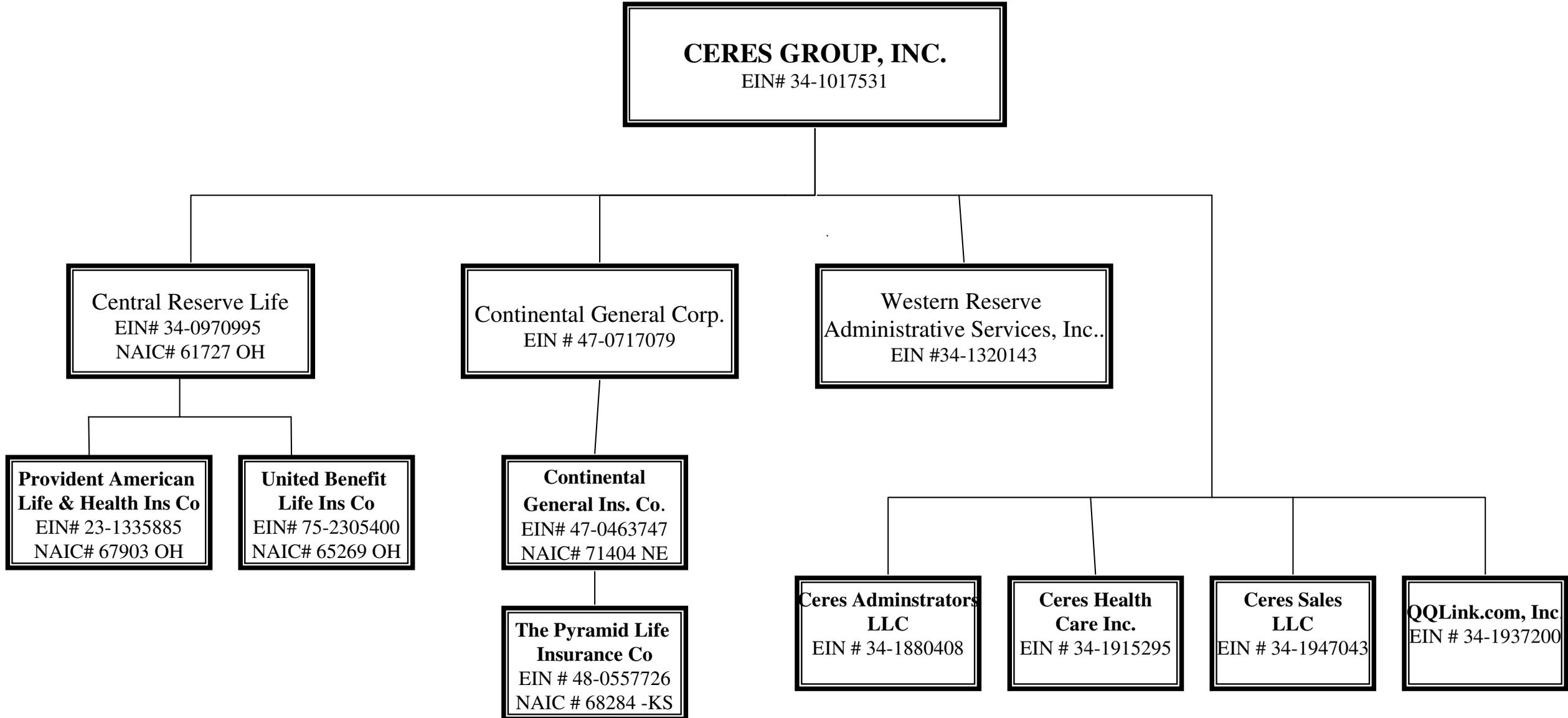
SCHEDULE T—PREMIUMS AND ANNUITY CONSIDERATIONS

During Current Year to Date - Allocated by States and Territories

States, Etc.	1	Direct Business Only					
		Life Contracts		4	5	6	
		2	3				
Is Insurer Licensed? (Yes or No)	Life Insurance Premiums	Annuity Considerations	Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	Deposit-Type Contract Funds	Other Considerations		
1. Alabama	AL	Yes	53,532	11,300	4,215,216		
2. Alaska	AK	No	0	0	0		
3. Arizona	AZ	Yes	190,276	1,300	9,324,170		
4. Arkansas	AR	Yes	62	0	697		
5. California	CA	No	0	0	0		
6. Colorado	CO	Yes	4,795	7,200	1,452		
7. Connecticut	CT	No	0	0	0		
8. Delaware	DE	Yes	958	0	81,544		
9. District of Columbia	DC	No	0	0	0		
10. Florida	FL	Yes	3,251	0	5,422		
11. Georgia	GA	Yes	3,879	0	583,307		
12. Hawaii	HI	No	0	0	0		
13. Idaho	ID	No	0	0	0		
14. Illinois	IL	Yes	44,487	0	2,943,164		
15. Indiana	IN	Yes	337,634	30,205	15,782,437		
16. Iowa	IA	Yes	0	0	0		
17. Kansas	KS	Yes	71,243	3,100	5,862,048		
18. Kentucky	KY	Yes	2,089	1,546	1,809		
19. Louisiana	LA	Yes	99	0	9,534		
20. Maine	ME	No	0	0	0		
21. Maryland	MD	No	0	0	0		
22. Massachusetts	MA	Yes	68	0	2,135		
23. Michigan	MI	No	43,154	4,800	2,736,294		
24. Minnesota	MN	No	0	0	0		
25. Mississippi	MS	Yes	1,146	0	14,745		
26. Missouri	MO	Yes	129,097	3,958	7,891,556		
27. Montana	MT	Yes	0	0	512		
28. Nebraska	NE	Yes	74,608	0	1,063,210		
29. Nevada	NV	Yes	34,262	0	2,339,560		
30. New Hampshire	NH	No	0	0	0		
31. New Jersey	NJ	No	0	0	0		
32. New Mexico	NM	Yes	804	0	61,049		
33. New York	NY	No	0	0	0		
34. North Carolina	NC	Yes	9,876	150	(6,669)		
35. North Dakota	ND	Yes	0	0	0		
36. Ohio	OH	Yes	963,805	97,446	37,632,658		
37. Oklahoma	OK	Yes	31,735	0	2,105,040		
38. Oregon	OR	Yes	0	0	55		
39. Pennsylvania	PA	Yes	30,617	8,260	9,844,091		
40. Rhode Island	RI	No	0	0	0		
41. South Carolina	SC	Yes	10,721	0	1,777,824		
42. South Dakota	SD	Yes	0	0	0		
43. Tennessee	TN	Yes	68,185	0	4,865,051		
44. Texas	TX	Yes	212,635	0	10,069,346		
45. Utah	UT	Yes	428	0	517		
46. Vermont	VT	No	0	0	0		
47. Virginia	VA	Yes	68,452	2,996	3,277,784		
48. Washington	WA	No	0	0	0		
49. West Virginia	WV	Yes	127,917	700	6,639,647		
50. Wisconsin	WI	Yes	23,969	0	2,687,658		
51. Wyoming	WY	Yes	0	0	0		
52. American Samoa	AS	No	0	0	0		
53. Guam	GU	No	0	0	0		
54. Puerto Rico	PR	No	0	0	0		
55. US Virgin Islands	VI	No	0	0	0		
56. Canada	CN	No	0	0	0		
57. Aggregate Other Alien	OT	XXX					
58. Subtotal	(a) 35		2,543,784	172,961	131,812,863		
90. Reporting entity contributions for employee benefit plans	XXX		13,281		252,335		
91. Dividends or refunds applied to purchase paid-up additions and annuities	XXX						
92. Dividends or refunds applied to shorten endowment or premium paying period	XXX						
93. Premium or annuity considerations waived under disability or other contract provisions	XXX						
94. Aggregate of other amounts not allocable by State	XXX						
95. Totals (Direct Business)	XXX		2,557,065	172,961	132,065,198		
96. Plus Reinsurance Assumed	XXX				7,390,018		
97. Totals (All Business)	XXX		2,557,065	172,961	139,455,216		
98. Less Reinsurance Ceded	XXX		1,792,976	60,536	38,983,075		
99. Totals (All Business) less Reinsurance Ceded	XXX		764,089	112,425	100,472,141		
DETAILS OF WRITE-INS							
5701.	XXX						
5702.	XXX						
5703.	XXX						
5798. Summary of remaining write-ins for Line 57 from overflow page	XXX						
5799. Totals (Lines 5701 thru 5703 plus 5798)(Line 57 above)	XXX						
9401.	XXX						
9402.	XXX						
9403.	XXX						
9498. Summary of remaining write-ins for Line 94 from overflow page	XXX						
9499. Totals (Lines 9401 thru 9403 plus 9498)(Line 94 above)	XXX						

(a) Insert the number of yes responses except for Canada and Other Alien.

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART**



SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplemental is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

RESPONSES

- 1. Will the SVO Compliance Certification be filed with this statement?Yes.....

- 2. Will the Trusteed Surplus Statement be filed with the State of Domicile and the NAIC with this statement?No.....

Explanations:

Bar Codes:

Trusteed Surplus Statement (Document Identifier 490) here:



OVERFLOW PAGE FOR WRITE-INS

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 1

NONE

Schedule B - Part 2

NONE

Schedule BA - Part 1

NONE

Schedule BA - Part 2

NONE

STATEMENT AS OF JUNE 30, 2002 OF THE CENTRAL RESERVE LIFE INSURANCE COMPANY

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year	NAIC Designation (a)
BONDS																
US Governments																
United States																
31359W-JH-7	FNMA 6.000% 05/15/11	04/24/2002	LEHMAN BROTHERS		1,535,475	1,500,000	1,543,125	1,542,315	(187)			(6,840)	(6,840)	40,000		1PE
912827-F4-9	U S TREASURY NOTE 7.500% 05/15/02	05/15/2002	Maturity		1,500,000	1,500,000	1,485,000	1,500,000	711				0	56,250		1PE
Total United States					3,035,475	3,000,000	3,028,125	3,042,315	525	0	0	(6,840)	(6,840)	96,250	XXX	XXX
0399999 - Bonds - U.S. Governments					3,035,475	3,000,000	3,028,125	3,042,315	525	0	0	(6,840)	(6,840)	96,250	XXX	XXX
Special Revenue & Assessment																
United States																
31298W-FC-4	FHLMC 30 YR GOLD 7.000% 10/01/31 #C59163	04/01/2002	Paydown		2,854	2,854	2,919	2,854	(65)				0	17		1
31298W-FC-4	FHLMC 30 YR GOLD 7.000% 10/01/31 #C59163	05/01/2002	Paydown		19,809	19,809	20,261	19,809	(450)				0	231		1
31298W-FC-4	FHLMC 30 YR GOLD 7.000% 10/01/31 #C59163	06/01/2002	Paydown		35,556	35,556	36,367	35,556	(808)				0	622		1
313371-LX-8	FHLMC 1590 FA 5.500% 01/15/19	04/01/2002	Paydown		73,450	73,450	70,421	73,450	473				0	337		1PE
313371-LX-8	FHLMC 1590 FA 5.500% 01/15/19	05/01/2002	Paydown		73,136	73,136	70,119	73,136	471				0	670		1PE
313371-LX-8	FHLMC 1590 FA 5.500% 01/15/19	06/01/2002	Paydown		72,823	72,823	69,819	72,823	469				0	1,001		1PE
313374-WD-4	FHLMC 1711 E 7.000% 03/15/23	04/01/2002	Paydown		10,174	10,174	10,085	10,174	42				0	59		1
313374-WD-4	FHLMC 1711 E 7.000% 03/15/23	05/01/2002	Paydown		11,445	11,445	11,345	11,445	47				0	134		1
313374-WD-4	FHLMC 1711 E 7.000% 03/15/23	06/01/2002	Paydown		12,681	12,681	12,570	12,681	52				0	222		1
31388K-K6-8	FNMA 15 YR POOL 6.500% 10/01/16 #607017	04/01/2002	Paydown		10,914	10,914	11,204	10,914	(282)				0	59		1
31388K-K6-8	FNMA 15 YR POOL 6.500% 10/01/16 #607017	05/01/2002	Paydown		11,533	11,533	11,839	11,533	(298)				0	125		1
31388K-K6-8	FNMA 15 YR POOL 6.500% 10/01/16 #607017	06/01/2002	Paydown		11,530	11,530	11,836	11,530	(298)				0	187		1
31388Q-CM-9	FNMA 30 YR POOL # 6.500% 10/01/31 611276	04/01/2002	Paydown		10,554	10,554	10,670	10,554	(114)				0	57		1
31388Q-CM-9	FNMA 30 YR POOL # 6.500% 10/01/31 611276	05/01/2002	Paydown		65,740	65,740	66,459	65,740	(711)				0	712		1
31388Q-CM-9	FNMA 30 YR POOL # 6.500% 10/01/31 611276	06/01/2002	Paydown		60,506	60,506	61,168	60,506	(654)				0	983		1
31388T-QZ-9	FNMA 30YR POOL# 7.000% 01/01/32 0614372	04/01/2002	Paydown		22,429	22,429	22,947	22,429	(518)				0	131		1
31388T-QZ-9	FNMA 30YR POOL# 7.000% 01/01/32 0614372	05/01/2002	Paydown		71,694	71,694	73,351	71,694	(1,654)				0	836		1
31388T-QZ-9	FNMA 30YR POOL# 7.000% 01/01/32 0614372	06/01/2002	Paydown		20,990	20,990	21,475	20,990	(484)				0	367		1
31389D-QS-9	FNMA 15 YR POOL 5.500% 12/01/16 #622465	04/01/2002	Paydown		6,222	6,222	6,169	6,222	53				0	29		1
31389D-QS-9	FNMA 15 YR POOL 5.500% 12/01/16 #622465	05/01/2002	Paydown		6,183	6,183	6,130	6,183	53				0	57		1
31389D-QS-9	FNMA 15 YR POOL 5.500% 12/01/16 #622465	06/01/2002	Paydown		10,966	10,966	10,872	10,966	93				0	151		1
Total United States					621,190	621,190	618,028	621,190	(4,585)	0	0	0	0	6,988	XXX	XXX
3199999 - Bonds - Special Revenues					621,190	621,190	618,028	621,190	(4,585)	0	0	0	0	6,988	XXX	XXX
Public Utilities (unaffiliated)																
United States																
55269A-AB-3	MGN INVESTMENT CORP 6.350% 04/02/02	04/02/2002	Maturity		1,000,000	1,000,000	999,650	1,000,000	6				0	31,750		2PE
Total United States					1,000,000	1,000,000	999,650	1,000,000	6	0	0	0	0	31,750	XXX	XXX

E05

STATEMENT AS OF JUNE 30, 2002 OF THE CENTRAL RESERVE LIFE INSURANCE COMPANY

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year	NAIC Designation (a)
3899999	Bonds - Public Utilities				1,000,000	1,000,000	999,650	1,000,000	6	0	0	0	0	31,750	XXX	XXX
Industrial & Miscellaneous United States																
00077B-UD-3	ABN AMRO MORTGAGE CORP 6.750% 07/25/31 2001-3 B3	04/01/2002	Paydown		588	588	448	588	139				.0	.3		.3
00077B-UD-3	ABN AMRO MORTGAGE CORP 6.750% 07/25/31 2001-3 B3	05/01/2002	Paydown		605	605	461	605	143				.0	.7		.3
00077B-UD-3	ABN AMRO MORTGAGE CORP 6.750% 07/25/31 2001-3 B3	06/01/2002	Paydown		596	596	453	596	141				.0	.10		.3
009266-AD-9	AIRBORNE FREIGHT CORP 8.875% 12/15/02	06/19/2002	AUTRANET INC.		1,002,500	1,000,000	1,108,450	1,011,974	(5,602)			(9,474)	(9,474)	46,594		.3
060506-T5-1	BANK OF AMERICA MTG 6.750% 08/25/31 SEC 2001-8 1B4	04/01/2002	Paydown		683	683	527	683	145				.0	.4		.3
060506-T5-1	BANK OF AMERICA MTG 6.750% 08/25/31 SEC 2001-8 1B4	05/01/2002	Paydown		691	691	533	691	146				.0	.8		.3
060506-T5-1	BANK OF AMERICA MTG 6.750% 08/25/31 SEC 2001-8 1B4	06/01/2002	Paydown		699	699	539	699	148				.0	.12		.3
07383F-DB-1	BEAR STEARNS COMM MTG 0.244% 11/15/19 2000 WF1 X	04/01/2002	Paydown				509		(490)				.0	.10		.1
07383F-DB-1	BEAR STEARNS COMM MTG 0.244% 11/15/19 2000 WF1 X	05/01/2002	Paydown				604		(582)				.0	.19		.1
07383F-DB-1	BEAR STEARNS COMM MTG 0.244% 11/15/19 2000 WF1 X	06/01/2002	Paydown				516		(497)				.0	.26		.1
12560P-CC-3	CIT GROUP HOLDINGS 5.625% 05/17/04	04/15/2002	LEHMAN BROTHERS		498,850	500,000	515,675	512,731	(268)			(13,881)	(13,881)	11,797		.2
126690-DK-9	CWMBS INC 1993-3 B1 7.000% 10/25/23	04/01/2002	Paydown		11,700	11,700	11,511	11,700	154				.0	.68		.2
126690-DK-9	CWMBS INC 1993-3 B1 7.000% 10/25/23	05/01/2002	Paydown		8,090	8,090	7,959	8,090	107				.0	.94		.2
126690-DK-9	CWMBS INC 1993-3 B1 7.000% 10/25/23	06/01/2002	Paydown		3,906	3,906	3,843	3,906	51				.0	.68		.2
126690-NB-8	CWMBS INC 1993-13 B1 6.375% 02/25/24	04/01/2002	Paydown		5,123	5,123	4,647	5,123	390				.0	.27		.2
126690-NB-8	CWMBS INC 1993-13 B1 6.375% 02/25/24	05/01/2002	Paydown		2,708	2,708	2,457	2,708	206				.0	.29		.2
126690-NB-8	CWMBS INC 1993-13 B1 6.375% 02/25/24	06/01/2002	Paydown		5,066	5,066	4,596	5,066	386				.0	.81		.2
126690-ZP-4	CWMBS INC 1994-11 B1 6.500% 05/25/24	04/01/2002	Paydown		12,543	12,543	11,265	12,543	1,080				.0	.68		.2
126690-ZP-4	CWMBS INC 1994-11 B1 6.500% 05/25/24	05/01/2002	Paydown		10,736	10,736	9,642	10,736	925				.0	.116		.2
126690-ZP-4	CWMBS INC 1994-11 B1 6.500% 05/25/24	06/01/2002	Paydown		5,119	5,119	4,597	5,119	441				.0	.83		.2
173034-CW-3	CITICORP 7.200% 06/15/07	04/24/2002	BANC ONE CAPITAL CORP		1,548,778	1,440,000	1,566,778	1,555,653	(1,329)			(6,876)	(6,876)	37,728		1PE
231021-AG-1	CUMMINS ENGINE 6.250% 03/01/03	05/23/2002	RW PRESSPRICH		750,000	750,000	748,658	749,679	.7			321	321	11,458		2PE
233835-AS-6	DAIMLERCHRYSLER 6.400% 05/15/06	04/24/2002	MORGAN STAN DEAN WITTER DISC		510,350	500,000	495,915	496,558	75			13,792	13,792	14,311		2PE
36157L-UP-1	GECMS 1993-17 B1 6.500% 12/25/23	04/01/2002	Paydown		24,718	24,718	23,799	24,718	777				.0	134		1PE
36157L-UP-1	GECMS 1993-17 B1 6.500% 12/25/23	05/01/2002	Paydown		20,292	20,292	19,537	20,292	638				.0	220		1PE
36157L-UP-1	GECMS 1993-17 B1 6.500% 12/25/23	06/01/2002	Paydown		15,424	15,424	14,850	15,424	485				.0	251		1PE
36157R-N7-6	GECMS 1999-10 A2 6.250% 04/25/14	04/01/2002	Paydown		33,109	33,109	34,004	33,109	(866)				.0	172		1PE
36157R-N7-6	GECMS 1999-10 A2 6.250% 04/25/14	05/01/2002	Paydown		36,250	36,250	37,230	36,250	(948)				.0	378		1PE

E05.1

STATEMENT AS OF JUNE 30, 2002 OF THE CENTRAL RESERVE LIFE INSURANCE COMPANY

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year	NAIC Designation (a)
36157R-N7-6	GECMS 1999-10 A2 6.250% 04/25/14	06/01/2002	Paydown		22,621	22,621	23,233	22,621	(592)				.0	353		1PE
36157R-V7-7	GECMS 1999-9 B3 6.750% 04/25/29	04/01/2002	Paydown		730	730	581	730	144				.0	4		3
36157R-V7-7	GECMS 1999-9 B3 6.750% 04/25/29	05/01/2002	Paydown		746	746	593	746	147				.0	8		3
36157R-V7-7	GECMS 1999-9 B3 6.750% 04/25/29	06/01/2002	Paydown		747	747	594	747	147				.0	13		3
370425-RW-2	GMAC 6.125% 09/15/06	05/30/2002	BEAR STEARNS & CO INC		1,024,640	1,000,000	997,530	997,733	(4)			26,908	26,908	12,931		2
44182D-HG-7	HOUSING SECURITIES INC 7.000% 09/25/23	04/01/2002	Paydown		19,164	19,164	19,011	19,164	142				.0	112		2
44182D-HG-7	1993-F F9M3 HOUSING SECURITIES INC 7.000% 09/25/23	05/01/2002	Paydown		11,912	11,912	11,817	11,912	88				.0	139		2
44182D-HG-7	1993-F F9M3 HOUSING SECURITIES INC 7.000% 09/25/23	06/01/2002	Paydown		10,173	10,173	10,091	10,173	75				.0	178		2
552673-AX-3	MCI COMMUNICATIONS PUT 6.125% 04/15/22	04/15/2002	Call	100.0000	500,000	500,000	498,665	498,768	18			1,232	1,232	15,313		6
573275-AM-6	MARTIN MARIETTA CORPORATION 6.500% 04/15/03	04/10/2002	BANK OF AMERICA		512,535	500,000	492,795	499,048	55			13,487	13,487	16,250		2
61745M-LE-1	MORGAN STANLEY CAPITAL 0.387% 12/15/31	04/01/2002	Paydown				574		(551)				.0	11		1
61745M-LE-1	1 1999-RM1 X MORGAN STANLEY CAPITAL 0.387% 12/15/31	05/01/2002	Paydown				1,626		(1,559)				.0	55		1
61745M-LE-1	1 1999-RM1 X MORGAN STANLEY CAPITAL 0.387% 12/15/31	06/01/2002	Paydown				580		(556)				.0	31		1
65473M-AC-6	NISSAN AUTO LEASE TR 7.800% 05/20/03	04/20/2002	Paydown		73,896	73,896	73,754	73,896	57				.0	480		1PE
65473M-AC-6	NISSAN AUTO LEASE TR 7.800% 05/20/03	05/20/2002	Paydown		257,655	257,655	257,162	257,655	198				.0	3,350		1PE
65473M-AC-6	NISSAN AUTO LEASE TR 7.800% 05/20/03	06/20/2002	Paydown		297,064	297,064	296,496	297,064	228				.0	5,793		1PE
66937R-LR-8	NORWEST ASSET SECURITIES CORP 1999-1 B4 6.500% 02/25/29	04/01/2002	Paydown		518	518	409	518	106				.0	3		3
66937R-LR-8	NORWEST ASSET SECURITIES CORP 1999-1 B4 6.500% 02/25/29	05/01/2002	Paydown		534	534	422	534	110				.0	6		3
66937R-LR-8	NORWEST ASSET SECURITIES CORP 1999-1 B4 6.500% 02/25/29	06/01/2002	Paydown		542	542	428	542	111				.0	9		3
66937R-MS-5	NORWEST ASSET SECURITIES CORP 1999-5 A7 6.000% 03/25/14	04/01/2002	Paydown		61,998	61,998	63,064	61,998	(1,013)				.0	310		1PE
66937R-MS-5	NORWEST ASSET SECURITIES CORP 1999-5 A7 6.000% 03/25/14	05/01/2002	Paydown		63,659	63,659	64,753	63,659	(1,040)				.0	637		1PE
66937R-MS-5	NORWEST ASSET SECURITIES CORP 1999-5 A7 6.000% 03/25/14	06/01/2002	Paydown		44,444	44,444	45,207	44,444	(726)				.0	667		1PE
674599-BN-4	OCCIDENTAL PETROLEUM CORP 6.400% 04/01/03	04/24/2002	BANK OF AMERICA		1,026,780	1,000,000	998,930	999,716	(44)			27,064	27,064	36,444		2PE
69348H-DL-9	PNC MORTGAGE ACCEPTANCE CORP 2001-C1 X 1.367% 03/12/21	04/01/2002	Paydown				282		(273)				.0	4		1
69348H-DL-9	PNC MORTGAGE ACCEPTANCE CORP 2001-C1 X 1.367% 03/12/21	05/01/2002	Paydown				368		(357)				.0	10		1
69348H-DL-9	PNC MORTGAGE ACCEPTANCE CORP 2001-C1 X 1.367% 03/12/21	06/01/2002	Paydown				286		(278)				.0	13		1
695927-CM-3	PAINE WEBBER MTG ACCEP CORP 1993-5 M1 6.875% 06/25/08	04/01/2002	Paydown		5,953	5,953	5,898	5,953	41				.0	34		1PE

E05.2

STATEMENT AS OF JUNE 30, 2002 OF THE CENTRAL RESERVE LIFE INSURANCE COMPANY

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Book/Adjusted Carrying Value at Disposal Date	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest on Bonds Received During Year	Dividends on Stocks Received During Year	NAIC Designation (a)
695927-CM-3	PAINE WEBBER MTG ACCEP 6.875% 06/25/08 CORP 1993-5 M1	05/01/2002	Paydown		8,815	8,815	8,733	8,815	60				.0	101		1PE
695927-CM-3	PAINE WEBBER MTG ACCEP 6.875% 06/25/08 CORP 1993-5 M1	06/01/2002	Paydown		6,235	6,235	6,176	6,235	43				.0	107		1PE
695927-DB-6	PAINE WEBBER MTG ACCEP 7.500% 07/25/23 CORP 1993-7 M2	04/01/2002	Paydown		30,062	30,062	30,044	30,062	67				.0	188		1PE
695927-DB-6	PAINE WEBBER MTG ACCEP 7.500% 07/25/23 CORP 1993-7 M2	05/01/2002	Paydown		5,441	5,441	5,437	5,441	12				.0	68		1PE
695927-DB-6	PAINE WEBBER MTG ACCEP 7.500% 07/25/23 CORP 1993-7 M2	06/01/2002	Paydown		22,785	22,785	22,771	22,785	51				.0	427		1PE
74434T-UA-3	M PRU HOME MTGE 1993-43 6.750% 10/25/23	04/01/2002	Paydown		24,965	24,965	24,945	24,965	37				.0	140		1PE
74434T-UA-3	M PRU HOME MTGE 1993-43 6.750% 10/25/23	05/01/2002	Paydown		17,757	17,757	17,743	17,757	26				.0	200		1PE
74434T-UA-3	M RESIDENTIAL FUNDING 6.500% 12/25/23	06/01/2002	Paydown		14,203	14,203	14,192	14,203	21				.0	240		1PE
760944-R9-1	MTG SEC 1 1993 S47 A5 RESIDENTIAL FUNDING 6.250% 10/25/13	06/01/2002	Paydown		95,300	95,300	98,398	95,300	(2,722)				.0	1,549		1PE
760972-R7-6	MTG SEC 1 1998 S25 A2 RESIDENTIAL FUNDING 6.250% 10/25/13	04/01/2002	Paydown		92,122	92,122	94,357	92,122	(2,136)				.0	480		1PE
760972-R7-6	MTG SEC 1 1998 S25 A2 RESIDENTIAL FUNDING 6.250% 10/25/13	05/01/2002	Paydown		57,334	57,334	58,724	57,334	(1,329)				.0	597		1PE
760972-R7-6	MTG SEC 1 1998 S25 A2 SOUTHWEST AIRLINES 5.100% 05/01/06	06/01/2002	Paydown		53,049	53,049	54,336	53,049	(1,230)				.0	829		1PE
84474Q-AA-1	SOUTHWEST AIRLINES 5.100% 05/01/06	05/01/2002	Redemption	100.0000	149,477	149,477	149,477	149,477					.0	3,833		1PE
84474Q-AA-1	SOUTHWEST AIRLINES 5.100% 05/01/06	05/30/2002	AUTRANET INC.		858,484	850,523	850,523	850,523				7,961	7,961	25,785		1PE
929903-AA-0	WACHOVIA CORP 4.950% 11/01/06	04/24/2002	BEAR STEARNS & CO INC.		992,030	1,000,000	998,070	998,227	58			(6,197)	(6,197)	23,925		1
94106K-AA-9	WASTE MANAGEMENT INC 6.625% 07/15/02	04/26/2002	SALOMON SMITH BARNEY		501,875	500,000	502,495	500,008	(52)			1,867	1,867	9,661		3
94976H-AQ-8	WELLS FARGO MBS 7.500% 12/25/30 2000-13 BA	04/01/2002	Paydown		562	562	449	562	100				.0	4		22*
94976H-AQ-8	WELLS FARGO MBS 7.500% 12/25/30 2000-13 BA	05/01/2002	Paydown		605	605	484	605	107				.0	8		22*
94976H-AQ-8	WELLS FARGO MBS 7.500% 12/25/30 2000-13 BA	06/01/2002	Paydown		586	586	469	586	104				.0	11		22*
98155K-AA-0	WORLDCOM INC 7.550% 04/01/04	05/20/2002	LEHMAN BROTHERS		350,000	500,000	529,055	510,234	(813)			(160,234)	(160,234)	24,328		6
Total United States					11,727,119	11,690,820	11,962,030	11,831,151	(16,924)	0	0	(104,032)	(104,032)	309,413	XXX	XXX
4599999 - Bonds - Industrial and Miscellaneous					11,727,119	11,690,820	11,962,030	11,831,151	(16,924)	0	0	(104,032)	(104,032)	309,413	XXX	XXX
6099997 - Bonds - Part 4					16,383,784	16,312,011	16,607,832	16,494,656	(20,978)	0	0	(110,872)	(110,872)	444,400	XXX	XXX
6099998 - Bonds - Part 5					11,347	11,347	11,427	11,347	(80)					96	XXX	XXX
6099999 - Total - Bonds					16,395,132	16,323,358	16,619,259	16,506,004	(21,058)	0	0	(110,872)	(110,872)	444,497	XXX	XXX
6599999 - Total - Preferred Stocks						XXX								XXX		XXX
7099999 - Total - Common Stocks						XXX								XXX		XXX
7199999 - Total - Preferred and Common Stocks						XXX								XXX		XXX
7299999 Totals					16,395,132	XXX	16,619,259	16,506,004	(21,058)	0	0	(110,872)	(110,872)	444,497	0	XXX

E05.3

(a) For all common stock bearing the NAIC designation "U" provide: the number of such issues

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

